

AGREEMENT - RESTRICTED ACCOUNT CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) Program

WHAT IS A RESTRICTED ACCOUNT?

A "restricted account" is a savings account where a family who is getting cash aid can keep up to \$5,000 to be spent for certain things. The savings account can be in any financial institution, such as a bank, credit union, savings and loan, etc. You can have more than one restricted account, but you can have only up to a total of \$5,000 in your restricted account(s).

Money in your restricted account(s) DO NOT count against the property limit you can have and keep getting cash aid. (The property limit is \$2,000, or \$3,000 if there is at least one person in the household who is age 60 or older.) But money in a restricted account DOES count against your property limit if you are applying for cash aid. So if your cash aid stops and you reapply for cash aid, your total countable personal property, including any money in your restricted account(s), cannot be more than the property limit.

Money saved in a restricted account can only be spent for one or more allowable expenses directly related to:

- Buying a home for you to live in.
- Starting up a new business.
- Education or job training for the account holder and his/her dependents.

FACTS YOU SHOULD KNOW ABOUT STARTING A RESTRICTED ACCOUNT

Before starting a restricted account, you should have cash and other resources (such as bank accounts, stocks, real estate, etc.) close to your family's property limit. Here's why:

You cannot use any of the money in your restricted account(s) to pay for emergencies, not even when the emergency is due to a death or life-threatening situation.

RULES FOR A RESTRICTED ACCOUNT:

- **Within 30 calendar days** after you sign and date the Agreement, you must give the county:
 - the name and address of the bank, credit union, etc.
 - the name(s) as shown on the account(s)
 - the account number(s)
 - all account balance(s) and activity since the date you signed this agreement. Attach proof of the account.
- You must be getting cash aid.
- You must sign an Agreement-Restricted Account before starting each restricted account.
- You must keep the money in a financial institution, such as a bank, credit union, savings and loan, etc.
- You can **only** spend the money on an allowable expense. (See page 2 for allowable expenses.)
- You must keep the money, and any interest earned, in a restricted account(s) separate from any other account.
- Interest earned on the restricted account(s) must be deposited directly into the account(s) by the bank, credit union, etc.
- Interest sent to you and not deposited into the restricted account within 30 days will be counted as a withdrawal that is not allowable.
- Money up to \$5,000 in all restricted accounts does not count against your family's property limit. Amounts over \$5,000 will count against your family's property limit.
- When the amount of money in your restricted account goes over \$5,000 due only to interest payment(s), you can withdraw the amount over \$5,000 without a period of ineligibility. Any amount over \$5,000 counts towards your property limit.
- **Within 30 calendar days** after a withdrawal, you must give the county proof of the withdrawal and how you spent the money. (See Page 2 for types of proof.)
- **If money from a restricted account is spent on an expense that is not allowable, your cash aid can stop for a period of time called a period of ineligibility. The more money you had in the restricted account(s) before the withdrawal that was not allowable, the longer your family will not get CalWORKs. Your cash aid can be stopped even if there is no money left in your restricted account(s). (See Page 2 for facts about a period of ineligibility.)**

ALLOWABLE EXPENSES

You have the right to spend the money from the restricted account(s) for one or more allowable expenses directly related to the:

- **Purchase Of A Home For You To Live In**

Allowable expenses include:

- deposits, fees, down payment, principal payment
- closing costs
- repairs and fixtures

Allowable expenses do not include the purchase of furniture or household goods.

- **Education Or Job Training For The Account Holder(s) And His/Her Dependent(s)**

Allowable expenses include:

- fees, tuition, books, school supplies, equipment, special clothing needs
- student housing and meals
- cost of transportation to and from school/vocational training
- child care services needed to attend school.

- **Starting Up A New Business**

Allowable expenses include:

- purchase, repair and upkeep of business equipment
- tools, uniforms or other protective or required clothing and shoes
- payment on loan principal and interest for business assets or durable goods
- rent and utility payments for office or floor space
- employee salaries
- inventory; shipping and delivery costs
- business fees, taxes, insurance, bookkeeping or other professional services.

Allowable expenses do not include personal expenses, such as entertainment.

PROOF

You need to give the county proof about the restricted account(s) and how you spent money withdrawn from the account(s).

Examples of proof include:

passbook, bank statement, or receipt from a bank, credit union, etc., that shows the name and address of the bank, the name(s) on the account(s), account number(s), and all account balances and activity since the date you signed this Agreement.

Examples of proof to show how you spent the money include:

a receipt, cancelled check, or a signed statement from the provider of goods or services that shows the type and amount of expense(s) paid.

PERIOD OF INELIGIBILITY

A period of ineligibility stops your CalWORKs for a period of time. You will have a period of ineligibility if anyone:

- withdraws money from the restricted account(s) for an expense(s) that is not allowable.
- within 30 calendar days after a withdrawal:
 - does not spend the money on allowable expenses.
 - does not put back into the restricted account(s), any money that wasn't spent when the allowable expense didn't happen or was less than expected.
 - does not give proof to the county of the amount withdrawn; the balance before the withdrawal; and what the money was spent on.
- gets interest from a restricted account sent by the bank, credit union, etc. and does not put the interest back into the restricted account within 30 calendar days after getting it. (Interest that makes your restricted account(s) go over the \$5,000 limit, does not have to be put back in the account(s).)

HOW TO FIGURE A PERIOD OF INELIGIBILITY

A family of 3 saved \$5,000 in a restricted account. The family withdrew \$4,500. They only spent \$3,000 on allowable expenses and did not put the remaining \$1,500 back in the restricted account. The county will:

- Take the balance** in their restricted account just before withdrawal \$5,000
- Subtract** the amount they spent for allowable expense(s).....- \$3,000
Difference= \$2,000
- Divide** the \$2,000 difference by the minimum basic need amount (for example, if the basic need amount for an assistance unit of 3 is \$601) plus their special needs (\$0)= 3.32 months
- Round down** to the nearest whole number
of months 3 months

This family's cash aid stops for 3 months starting the first day of the month after the withdrawal. And if this family gets a cash aid payment for any months after the withdrawal, the family will be overpaid and will owe the county for that payment(s).

AGREEMENT - RESTRICTED ACCOUNT**California Work Opportunity And Responsibility To Kids (CalWORKs) Program**

CASE NAME	CASE NUMBER	WORKER NAME	WORKER NUMBER
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SECTION A: Read and initial each of the rules for starting, keeping and ending a restricted account before signing this Agreement. You must fill out an Agreement - Restricted Account (CW 86) for each restricted account.

I have read the coversheet. I understand the rules and my responsibilities for starting and keeping a restricted account; the rules for a period of ineligibility; and the need to have resources close to my \$2,000 property limit (\$3,000 if there is at least one household member who is age 60 or older) for emergencies or other expenses before I start a restricted account. I understand and agree that:

- _____ Money saved in a restricted account can **only** be spent for one or more allowable expenses directly related to:
- Caretaker
- Purchase of a home that I will live in.
- Relative's
- Starting up a new business.
- Initials
- Education or job training for the account holder and his/her dependent(s).
- _____ Money must be kept in a financial institution, such as a bank, credit union, savings and loan, etc., and all money in my restricted account must be kept separate from any other account.
- _____ I can have **only** up to a total of \$5,000, even if I have more than one restricted account. Money up to a total of \$5,000 in all restricted accounts does not count against my family's property limit if I am getting aid.
- _____ If my cash aid stops for any reason, and if I reapply for cash aid, my total countable personal property, including any money in the restricted account(s), cannot be more than the \$2,000 property limit (or \$3,000 if there is at least one household member who is age 60 or older).
- _____ I will get a period of ineligibility if money from my restricted account(s) is withdrawn and is not spent for an allowable expense, even when I have expenses for a death or life-threatening emergency.
- _____ I will get a period of ineligibility if the balance in my restricted account(s) before the nonallowable withdrawal is more than my minimum basic need standard and I do not follow the rules:
- _____
- I must spend any money on an allowable expense(s) within 30 calendar days of the date of the withdrawal.
- _____
- I must give proof to my worker of the amount withdrawn, the balance prior to the withdrawal, and how I spent the money within 30 calendar days of any withdrawal.
- _____
- If the expense did not happen or was less than expected, I must put back any unspent money within 30 calendar days of the date of the withdrawal.
- _____
- Interest earned on my restricted account(s) must be deposited directly into the account(s). If interest is sent to me, I must put it back into the restricted account(s) within 30 calendar days of getting the interest.
- _____
- When the amount in my restricted account goes above \$5,000 due only to the deposit of an interest payment(s), I can withdraw the amount over \$5,000 without a period of ineligibility. If I leave the money in the restricted account, the amount over \$5,000 counts toward my family's property limit.
- _____
- I will ask my worker if I'm not sure what is an allowable expense, what proof I need, or when the proof must be given to the county.
- _____ This Agreement stops when:
- I don't give the worker proof about the restricted account(s) within 30 calendar days from the date I signed this Agreement.
 - My family is discontinued from cash aid for two or more months.
 - The restricted account is closed.
 - The law about restricted accounts changes.

SIGNATURE OF PARENT OR CARETAKER/RELATIVE	DATE OF AGREEMENT	SIGNATURE OF OTHER PARENT (IF LIVING IN THE HOME)	DATE
SIGNATURE OF WITNESS TO MARK OR INTERPRETER			DATE

I certify that the parent/caretaker relative has been given a copy of the CW 86, "Agreement - Restricted Account." The parent/caretaker relative says he/she understands the rules and his/her responsibilities for starting, keeping and ending a restricted account(s). The parent/caretaker relative also says he/she understands the rules for a period of ineligibility.

SIGNATURE OF COUNTY WORKER	DATE
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SECTION B: You must fill in the information below when you start the restricted account. Sign, date, and give the original of this Agreement to the county with proof of the account within 30 days from the "Date of Agreement" in Section A above.

ACCOUNT HOLDER(S) (NAME(S) ON THE ACCOUNT)		
NAME AND ADDRESS OF BANK, ETC.	ACCOUNT NUMBER	CURRENT BALANCE
SIGNATURE OF PARENT/CARETAKER RELATIVE		DATE